



China AI Capital Limited
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25 August 2020

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Dear Sirs,

Re: Link Motion Inc.

We are the Cayman Islands attorneys for Robert W. Seiden, in his capacity as temporary receiver (the **Receiver**) of Link Motion Inc. (**Link Motion**), and write in that capacity. This letter is being delivered to your registered office in the British Virgin Islands, with an electronic copy sent to your United States attorneys, Cho Legal Group LLC.

The United States District Court for the Southern District of New York appointed the Receiver by an Order dated 1 February 2019. The Grand Court of the Cayman Islands, by an order dated 3 February 2020, recognized the Receiver's appointment, powers and functions in the Cayman Islands and ordered that the Receiver may exercise his recognized powers and functions in the Cayman Islands to the exclusion of any other person. The effect of the Receiver's appointment by the US court and recognition by the Cayman Islands court is that the Receiver may act for and on behalf of Link Motion.

Link Motion and China AI Capital Limited (**China AI**) entered into a subscription agreement dated 19 July 2018 (the **Subscription Agreement**). Under the Subscription Agreement, China AI subscribed for 70,175,439 Class B common shares in the capital of Link Motion (the **Shares**), for a total subscription price of US\$20,000,000.

The Subscription Agreement contemplated a two-stage transaction. Contemporaneously with execution, China AI was to pay US\$10,000,000 to Link Motion, and Link Motion was to issue the Shares, registered as 50% fully paid and 50% unpaid. At Closing (as defined in the Subscription Agreement), China AI was to pay the balance of the subscription price and Link Motion would update its register of members to show the Shares as 100% fully paid. The first stage of the transaction completed. Link Motion received US\$10,000,000 from China AI, and the current register of members records China AI as holding the Shares, 50% fully paid and 50% unpaid.



Section 2(b) of the Subscription Agreement states that:

In the event that the Closing has not occurred by September 19, 2018, [Link Motion] shall, and [China AI] hereby acknowledges and agrees that [Link Motion] is empowered to, (i) declare the unpaid portion of the Acquired Shares forfeited to [Link Motion] and to cancel such unpaid portion of the Acquired Shares pursuant to the Memorandum and Articles (as defined below); and (ii) take such actions as may be necessary or advisable to implement such declaration.

Under section 2(c), China AI agreed "*to take all actions and deliver all documents and instruments necessary to give effect to actions of*" Link Motion with respect to forfeiture of the unpaid Shares under section 2(b).

In addition, section 2(f) of the Subscription Agreement states that:

In the event that the Closing has not occurred by September 19, 2018, upon delivery to [China AI] by [Link Motion] of a written notice with respect thereto [Link Motion] shall, and [China AI] hereby agrees to take all actions and deliver all documents and instruments reasonably requested by [Link Motion] enable [sic] [Link Motion] to, declare such portion of the Acquired Shares forfeited to [Link Motion] and to cancel such unpaid portion of the Acquired Shares.

The Receiver understands that Link Motion and China AI agreed to extend the date for Closing to 19 November 2018. However, Closing has not occurred and there have been no further agreements on extending the date set out in sections 2(b) and (f) of the Subscription Agreement. Accordingly, Link Motion has the right to declare 35,087,719.5 of the Shares, being the unpaid portion of the Shares (the **Unpaid Shares**), forfeited.

Alternatively, the Receiver is prepared to agree to a Closing with China AI on the basis that:

1. China AI pays to Link Motion, represented by the Receiver, the amount of US\$10,000,000 in immediately available funds within 14 days of the date of this letter.
2. China AI waives the closing conditions set out in sections 2(d)(ii) to (vi) and (viii) of the Subscription Agreement.
3. Upon confirmation of receipt of the payment of US\$10,000,000, the Receiver will cause Link Motion to update its register of members to show the Shares as fully paid and deliver a copy of the register of members to China AI.



If China AI is not prepared to agree to the above terms for Closing, Link Motion intends to exercise its rights under the Subscription Agreement and its Articles of Association to forfeit the Unpaid Shares. Accordingly, if China AI fails to pay US\$10,000,000 to the Receiver on the above terms within 14 days from the date of this letter, the Unpaid Shares will be liable to be forfeited, and the Receiver will promptly take all necessary actions to do so. Under the Articles of Association, any person whose shares are forfeited shall cease to be a shareholder in respect of the forfeited shares.

We will confirm bank payment instructions to you on request. All of Link Motion's and the Receiver's rights are reserved.

Yours faithfully

A handwritten signature in black ink that reads 'KSG'.

KSG Attorneys at Law